CIVIL MILITARY INTEGRATION

Government/Industry Partnership Packaging Example

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The Revolution in Business Affairs

The rapid pace of technological change and the economics of warfighting have made the Defense business enterprise a critical component of winning wars.

How Do We Win the Revolution in Business Affairs?

- Committed and skilled leaders
- Tools for accelerating change
- Scorecards measuring success

Leadership Required

- Encourage taking prudent risks to achieve better results.
- Insist that people openly share ideas, concerns, objectives, and recommendations without fear of retribution.
- Promote the use of best practices that produce better results.
- Sponsor cross-functional/cross-enterprise to accelerate and improve the quality of decision-making.

CMI and DoD Packaging

- Civil Military Integration (CMI), eliminating the distinction between doing business with the Government and other buyers, is critical to meeting our future military, economic, and policy objectives

- The CMI goal for DoD Packaging is to eliminate military unique packaging processes and routinely apply commercial practices even for items entering the military distribution system

What Are We Doing Today?

- **MIL-STD-2073-1C, Standard Practice for Military Packaging:**
  - Requirements are applied by procurement activities to provide adequate protection for items entering the military distribution system for most severe environments
  - Where severe environmental conditions or long-storage times are not encountered, these requirements may be over-specified

In this case Commercial Standards can and should be used even for items entering the military distribution system

Why Are We Doing Packaging Pilot?

To Improve Partnership with Industry:

- Optimal use of commercial packaging within the military distribution system

Desired Outcomes:

- Simplify requirements, lower mutual costs and identify opportunities for DoD to apply commercial packaging for specific applications
- Achieve greater integration of commercial/military processes
- Improve open communication and understanding of packaging requirements between the Military Services, DLA/DCMC and Industry

Statement of Global Objective

Commercial Packaging Pilot Program

The objective of the Commercial Packaging Pilot Program is to...

- Provide industry flexibility to quickly find and try innovative packaging practices
- Use best practices from both military and commercial environments
- Deliver quality products that will go into the military distribution system
- Operate in a collaborative environment
- Accelerate identification and application of best practices

Accomplishing this objective will require all stakeholders to operate in the spirit of...

- Cooperation
- Shared responsibility and flexibility
- Open and timely communication
- Active Risk Management

Our objective in this pilot program is not to...

- Diminish packaging performance
- Not to continue if no benefit is realized
- Eliminate packaging expertise in DoD
- Shift risk and cost to end users
- Dismiss Mil Std 2073

Pilot Program Processes

- GE and Allied Signal will modify current packaging processes to eliminate military unique processes and routinely apply commercial packaging practices to all military items
- For items entering the military distribution system, as DoD did previously in Mil-Specs and Standards reform, GE and Allied Signal will apply best commercial packaging practices except in rare circumstances

A Comprehensive block change clause language will be put in place to assure product integrity and GE and Allied Signal accountability

Pilot Program Metrics

- Performance metrics will be established to track packaging discrepancy reports and cost reductions achieved
- Special project codes have been assigned to evaluate the use of commercial packaging shipped from specific GE and Allied Signal plants through the military distribution system

The OSD Pilot Program Consulting Group (PPCG) will provide metrics oversight, lessons learned and reporting

Rapid Improvement Teams: (One of Tools)

Teams will engage in the following actions:

- The team leader focuses the team on its reform target,
- Each team attacks its reform target using the tools provided in the workshop,
- Coaches are available to assist with the process of implementing the change,
- Subject-matter experts are available to assist in weighing content decisions, and
- Each team reports its outcomes to its manager after 60 days.

Execution Plan

Commercial Packaging Pilot Program

- **Statement of global objective**
- **Specific goals and metrics (*the Scorecard)***
- **Guidelines for handling risk/exception issues**
- **Local implementation plan and procedures**
- **Requirements for reporting results and evaluating success**

2 day Workshop - Mission Accomplished

Summary

This three-year Packaging Pilot Program is an example of how the Department of Defense has partnered with industry to improve operations

The revolution in business affairs has arrived. Together industry and government can provide the leadership to accelerate change and free up scarce resources to provide better support to our customers! Your commitment is required!

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Objectives of the Pilot Program

- **Conduct a 3-year Pilot with GE/Allied Signal to:**
  - Allow GE/AS to develop a completely commercial packaging process and test its performance within the military distribution system
  - Expand application of Commercial Packaging for items intended to enter military distribution system
  - Develop lessons learned for application to Government packaging requirements
  - Develop, monitor, and review Government and Industry benefits, risk and cost savings

The first test of the Pilot Program will come in about 12 to 18 months when preliminary performance data will be thoroughly analyzed

Packaging Metrics

Quality Monitoring

- Supply Discrepancy Reports: (SF364)
  - DCMC (Phoenix (AlliedSignal)& Dayton (GE)) serve as metric collection agencies
  - Quarterly Collection by DLA
  - Periodic survey of DLA & Service Inventory Control Points (ICPs) for other discrepancies.

Government Cost

- Care of Supply in Services (COSIS)
  - Normal/special packaging fund expenditures reported by depot operations (as linked to SF364).
  - COSIS audit as direct by service ICPs
    - One component of the DoD stock readiness program. (Packaging IPT will inform audit team of Pilot Program requirements)

Packaging Metrics (Industry)

Quality Monitoring (Better)

- GE/AlliedSignal Quality Reporting Systems
- Local DCMC on-site reviews at contractor facility

Packaging Cycle Time (Faster)

- Measure packaging department cycle time improvements

Cost Avoidance (Cheaper)

- Contract materials cost applied to government orders (usage & historical projection)
- DCAA estimate for in-house contractor labor savings